

(Washington, D.C.) – U.S. Rep. Rush Holt (NJ-12), a member of the House Committee on Education and Labor, today attended President Obama's signing of the Health Care and Education Reconciliation Act of 2010 at Northern Virginia Community College. The bill includes the Student Aid and Fiscal Responsibility Act (SAFRA), which is the single largest investment of college aid ever, and makes improvements to the health reform package. The new law will convert all new federal student lending to the more stable and cost-effective Direct Loan program, saving taxpayers \$61 billion over ten years and investing in student aid and college initiatives. This program has proven to be the most efficient way to distribute student loans.

"Each year, Congress has one bill to reconcile issues affecting the budget, and this year we dealt with education and health care. The bill President Obama signed today makes valuable improvements to health care reform, including closing completely the Medicare prescription 'drug donut hole,' and makes important changes to student loans and college accessibility," Holt said.

Holt was an original cosponsor of the Student Aid and Fiscal Responsibility Act. The bill will originate all new federal student loans through the Direct Loan program, instead of through lenders subsidized by taxpayers in the federally-guaranteed student loan program. In New Jersey, Rutgers University has participated in the Direct Loan program for a number of years and has found it to meet the needs of its students. The Direct Loan program is not affected by market swings and can ensure that students have access to affordable college loans, at the same low interest rates, terms, and conditions. According to the Congressional Budget Office, the legislation will generate \$61 billion in savings over the next 10 years. The legislation will invest those savings directly in student aid programs, including \$36 billion to boost the Pell Grant Program. Additionally, the bill will direct \$10 billion of these savings back to the Treasury to pay down the deficit.

"We have had almost two decades of experience with direct student loans, and the experience has been very good. Students like them, universities like them, and taxpayers like them," Holt said. "Without costing taxpayers a dime, we are making a landmark investment that will support working families who struggle with the rising costs of college."

Information on how the bill affects Central New Jersey can be found here:

<http://edlabor.house.gov/documents/111/pdf/publications/safra-district-by-district/2010319/NJ-12.pdf>